

## Bureau of Land Management, Interior

## § 5475.2-2

(h) *Qualifying contracts* means Bureau sales contracts bid prior to January 1, 1982, and held as of June 1, 1984.

(i) *Volume entitlement* means the aggregate amount of Bureau and Forest Service net merchantable volume of timber which may be returned to the United States subject to a buy-out charge.

(j) *Conditional contract* means an otherwise qualifying contract that is proposed for buy-out on which harvest and/or road construction activities have commenced.

(k) *Reasonable rates and terms* means interest rates that are within 3 percentage points above the average market yield of outstanding treasury obligations with remaining years to maturity of 5 years as reported by the U.S. Treasury; and having terms of 5 years.

### § 5475.1 Contract modification applications.

(a) The authorized officer shall prepare a modification application package for each Bureau timber sale purchaser, including affiliates holding contracts that qualify for termination under the Act. Application packages for purchasers holding qualifying contracts in more than one State shall be prepared by the authorized officer having the greatest volume under Bureau qualifying contracts for individual purchasers. The authorized officer shall provide timber sale statistics, purchaser loss, and contract overbid information to be included in the modification application. Purchasers who elect to pay less than the maximum buy-out charge as specified in section (3)(A) of the Act, shall submit a net worth determination as part of the completed application package (see § 5475.3(c)). Purchasers that also hold Forest Service contracts that qualify for termination under the Act shall include a complete copy of each Forest Service modification application when submitting a Bureau application to the authorized officer.

(b) In order to be accepted, applications shall be received by the authorized officer within 90 days of the publication date of either this regulation or the regulation of the Secretary of Agriculture issued pursuant to the Act,

whichever is later. The application may be revised within the 90-day period. After the 90-day period sales cannot be deleted from the application. The addition of qualifying sales may be considered after the 90-day period only when sales are deleted from the purchaser's Forest Service application and the purchaser elects to use additional Bureau sales to obtain full entitlement. Any request to add sales shall be received by the authorized officer no later than 30 days after deletion from the Forest Service application.

(c) If the purchaser has filed for bankruptcy, the application shall be approved by the Bankruptcy Court. Applications containing sale in trust shall have the signature of the assignees.

### § 5475.2 Qualification and volume entitlement.

#### § 5475.2-1 Qualification.

To qualify for buy-out under this subpart, a timber sale contract must have been bid prior to January 1, 1982, and be held by the requesting purchaser as of June 1, 1984. In cases where such a contract was defaulted after January 1, 1981, such a contract may qualify for buy-out under this subpart provided: (a) settlement for damages has not been reached between the purchaser and the United States; and (b) the purchaser's loss on all of its qualifying timber sale contracts as determined under § 5475.3(a) of this subpart is in excess of 50 per centum of the net book worth of the purchaser.

#### § 5475.2-2 Volume entitlement.

Except as provided in § 5475.2-3 of this subpart:

(a) A purchaser holding qualifying contracts with more than 27.3 million board feet of net merchantable timber shall be entitled to buy out up to 55 per centum of such timber volume up to a maximum of 200 million board feet. The total remaining volume on Bureau and Forest Service timber sale contracts as of January 1, 1982, as set forth in the appropriate agency's qualified timber sale contracts, shall be used to establish buy-out entitlement.

(b) A purchaser holding qualifying contracts with 27.3 million board feet